Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

What is claimed is:

1. (Currently Amended) A system for electronic commerce transactions that provides for tracking the usage of rented digital assets over a computer network, the system comprising:

a server including an asset database, the asset database to store a digital asset, a title of the digital asset, and a server usage count for the digital asset;

a computing device coupled to the server over the computer network, the computing device to store a rented digital asset <u>downloaded from the server</u> and an asset usage count list that includes a title of the rented digital asset and a usage count indicating the amount of usage of the rented digital asset by the computing device;

a security device coupled to the computing device, the security device storing a unique identifier associated with the security device and a user key associated with the unique identifier, the server including a user information database storing a plurality of registered unique identifiers and a plurality of user keys, the server requesting the unique identifier and proof of knowledge of the user key when a computing device attempts to log on to the server in order to identify the security device, and if the security device is identified by the server, allowing the computing device to be associated with a user's data in the user information database;

wherein the server:

uploads the asset usage count list from the computing device; matches the title of the rented digital asset from the asset usage count list of the computing device with the title of the digital asset in the asset database; and adds the usage count from the asset usage count list of the computing device to the server usage count for the digital asset in the asset database of the server.

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- 2. (Original) The system of claim 1, wherein the usage count of the asset usage count list of the computing device is numerically updated by one for each day the rented digital asset is used.
- 3. (Original) The system of claim 1, wherein the asset usage count list of the computing device further includes a dates asset used field which includes each date the rented digital asset was used by the computing device.
- 4. (Original) The system of claim 1, wherein after the asset usage count list is uploaded from the computing device to the server, the asset usage count list at the computing device is cleared.
 - 5. (Original) The system of claim 1, wherein the digital asset is an audio digital asset.

6-7. (Canceled)

8. (Currently Amended) The system of claim [[7]] 1, wherein when the computing device attempts to log onto the server over the computer network, the server:

requests a unique identifier from the security device;
verifies whether the unique identifier received from the security device is stored
as one of the plurality of registered unique identifiers in the user information
database;

obtains the associated user key and computes a challenge and computes an expected response based on the associated user key, the server sends the challenge to the security device over the computer network; and

if the server receives a response back from the security device in response to the challenge that matches the expected response, the server allows the computing device to log onto the server.

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- 9. (Original) The system of claim 8, wherein the expected response computed at the server and the response computed at the security device, are both based on a one-way hashing function of the user key.
- 10. (Currently Amended) The system of claim [[7]] 1, wherein the unique identifier and the user key are sealed in a secure memory of the security device.
- 11. (Currently Amended) The system of claim [[7]] 1, wherein the unique identifier is a serial number.
- 12. (Currently Amended) The system of claim [[7]] 1, wherein after the computing device has been allowed to log onto the server, the computing device to transmit a purchase request to rent a digital asset from the server.
- 13. (Original) The system of claim 12, wherein the purchase request to rent the digital asset is automatically verified by a trusted authority, and if the trusted authority verifies the charge request, an associated charge for the rental of digital asset is automatically charged to an associated credit card.
- 14. (Original) The system of claim 13, wherein the rented digital asset is transmitted from the server to the computing device over the computer network.
- 15. (Original) The system of claim 14, wherein the server encrypts the rented digital asset with an asset key and sends the encrypted rented digital asset to the computing device, the computing device storing the encrypted rented digital asset.
- 16. (Original) The system of claim 15, wherein the server encrypts the asset key with the user key and sends the encrypted asset key to the computing device, the computing device storing the encrypted asset key.

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- 17. (Original) The system of claim 16, wherein the security device decrypts the asset key that is encrypted with the user key using the user key stored by the security device.
- 18. (Original) The system of claim 17, wherein the security device transmits the decrypted asset key to the computing device such that the computing device uses the decrypted asset key to decrypt the rented digital asset for use.
- 19. (Currently Amended) A method for electronic commerce transactions that provides for tracking the usage of a rented digital assets over a computer network, the method comprising:

uploading an asset usage count list from a computing device to a server, the computing device coupled to the server over the computer network, the asset usage count list including a title of a rented digital asset and a usage count indicating the amount of usage of the rented digital asset downloaded from the server by the computing device, wherein a security device is coupled to the computing device, the security device storing a unique identifier associated with the security device and a user key associated with the unique identifier, the server including a user information database storing a plurality of registered unique identifiers and a plurality of user keys, the server requesting the unique identifier and proof of knowledge of the user key when a computing device attempts to log on to the server in order to identify the security device, and if the security device is identified by the server, allowing the computing device to be associated with a user's data in the user information database;

matching the title of the rented digital asset from the asset usage count list of the computing device with a title of a digital asset stored in an asset database of the server, the asset database to store the digital asset, the title of the digital asset, and a server usage count for the digital asset; and

adding the usage count from the asset usage count list of the computing device to the server usage count for the digital asset in the asset database of the server.

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- 20. (Original) The method of claim 19, further comprising numerically updating by one the usage count of the asset usage count list of the computing device for each day the rented digital asset is used.
- 21. (Original) The method of claim 19, wherein the asset usage count list of the computing device further includes a dates asset used field which includes each date the rented digital asset was used by the computing device.
- 22. (Original) The method of claim 19, further comprising clearing the asset usage count list at the computing device after the asset usage count list is uploaded from the computing device to the server.
 - 23. (Original) The method claim 19, wherein the digital asset is an audio digital asset.

24-25. (Canceled)

- 26. (Currently Amended) The method claim [[25]] 19, wherein the unique identifier and the user key are sealed in a secure memory of the security device.
- 27. (Currently Amended) The method claim [[25]] 19, wherein the unique identifier is a serial number.
- 28. (Currently Amended) The method claim [[25]] 19, wherein after the computing device has been allowed to log onto the server, transmitting a purchase request to the server to rent a digital asset from the server.
- 29. (Original) The method claim 28, wherein the purchase request to rent the digital asset is automatically verified by a trusted authority, and if the trusted authority verifies the

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charge request, an associated charge for the rental of digital asset is automatically charged to an associated credit card.

- 30. (Original) The method of claim 29, further comprising transmitting the rented digital asset from the server to the computing device over the computer network.
 - 31. (Original) The method of claim 30, further comprising:

 encrypting the rented digital asset with an asset key;

 sending the encrypted rented digital asset to the computing device; and storing the encrypted rented digital asset at the computing device.
 - 32. (Original) The method of claim 31, further comprising:
 encrypting the asset key with the user key;
 sending the encrypted asset key to the computing device; and
 storing the encrypted asset key at the computing device.
- 33. (Original) The method of claim 32, wherein the security device decrypts the asset key that is encrypted with the user key using the user key stored by the security device.
- 34. (Original) The method of claim 33, wherein the security device transmits the decrypted asset key to the computing device such that the computing device uses the decrypted asset key to decrypt the rented digital asset for use.